

**MINUTES OF THE  
SOUTH OGDEN CITY COUNCIL MEETING  
Tuesday, October 20, 2015 – 6:00 p.m.  
Council Chambers, City Hall**

**COUNCIL MEMBERS PRESENT**

Mayor James Minster, Council Members Sallee Orr, Brent Strate, Wayne Smith, Bryan Benard and Russell Porter

**STAFF MEMBERS PRESENT**

City Manager Matt Dixon, City Attorney Ken Bradshaw, Police Chief Darin Parke, Fire Chief Cameron West, Parks and Public Works Director Jon Andersen, Finance Director Steve Liebersbach, and Recorder Leesa Kapetanov

**CITIZENS PRESENT**

Jim Pearce, Walt Bausman, Jerry Cottrell, Nancy Gibson-Fagg, Mitchell Holden, Brecken Benard, Calvin Holden, Brevan Benard, Aubree Allen, Bridger Butters, Mikayla Hargrove, Allie Holden, Addison Weeks, Breonca Benard, Venna E., Gabby Shupe, Marci Edwards, Monique Benard, Lanette Weeks

**I. OPENING CEREMONY**

**A. Call to Order**

Mayor Minster called the meeting to order at 6:01 pm and called for a motion to convene.

**Council Member Smith moved to convene as the South Ogden City Council, followed by a second from Council Member Benard. In a voice vote Council Members Smith, Strate, Orr, Benard and Porter all voted aye.**

**B. Prayer/Moment of Silence**

The mayor invited everyone to participate in a moment of silence.

**C. Pledge of Allegiance**

Council Member Orr led those present in the Pledge of Allegiance.

Mayor Minster announced he would like change the order of the agenda slightly. He was going to allow recognition of students before public comments. There was no objection from the Council, so the mayor invited the students from Bonneville High School to come forward.

**II. RECOGNITION OF SCOUTS/STUDENTS PRESENT**

Savanna Shaw, Senior Class President, and Taeler Welch, Senator, introduced themselves. They reminded the Council the City had donated money to the school's PTSA graduation fund in the past. The fund insured that students would have a safe and fun place to go on graduation night. The mayor asked the students to write a letter and submit it to City Manager Dixon. He also said the Council could vote on the matter at this time.

**Council Member Porter moved to give Bonneville High School money for their graduation party. Council Member Benard asked if the amount they were requesting was \$500. The students said it was. Council Member Benard then seconded the motion.** Council Member Orr asked where the party would be held. Ms. Shaw said it would be at The Junction. **Mayor Minster then called the vote:**

<b>Council Member Orr-</b>	<b>Yes</b>
<b>Council Member Strate-</b>	<b>Yes</b>
<b>Council Member Smith-</b>	<b>Yes</b>
<b>Council Member Porter-</b>	<b>Yes</b>
<b>Council Member Benard-</b>	<b>Yes</b>

**The motion passed.**

Mayor Minster indicated it was time for public comments and invited anyone who wished to come forward. He reminded those present that no action would be taken on comments made that evening. He also asked those commenting to keep their remarks to 3 minutes.

### **III. PUBLIC COMMENTS**

**Walt Bausman, 5792 S 1075 E** – Mr. Bausman gave a handout to the Council (see Attachment A) and reminded them the amounts were from their own financial statements. After reviewing several funds, he said the \$303,000 the City said it had made in FY2015 was referred to as a change in fund balance and not debt income; he was not sure why staff continued to call it something that it was not. Even the City auditors had labeled it something otherwise. It was confusing and incorrect. Mr. Bausman said he had revised the financial statements and included them in the handout. At this point, City Manager Dixon informed the mayor 3 minutes had passed. Mr. Bausman said it had not been 3 minutes, it had only been 2 minutes. The mayor said Mr. Bausman could have 1 more minute. (Note: The time stamp on the recording indicated 3 minutes had passed when Mr. Dixon gave the warning). Mr. Bausman continued, saying the City could not sustain its losses for the future. The key number they needed to look at was the fifth column, not the first.

**Jerry Cottrell, 5765 S 1075 E** – Mr. Cottrell said he was going to give the “dumbed down” version of Mr. Bausman’s comments. He went on to give an analogy about different pockets, saying you could make someone believe the accuracy of what you said by focusing their attention only on the pocket you wanted them to look at. The City focused on the general fund; it was not a representation of profit or loss. The balance of the general fund could be anything the Council or staff wanted it to be. If one wanted to accurately understand the City’s finances, one should ask for a net profit/loss analysis. That’s what Mr. Bausman had done.

Mr. Cottrell then said he supported making the salaries of police competitive, but asked that the City look for cuts elsewhere.

Note: Both Mr. Bausman and Mr. Cottrell submitted written versions of their comments for the record. See Attachment B.

There were no other public comments.

### **IV. CONSENT AGENDA**

- A. Approval of October 6, 2015 Council Minutes**
- B. Cancellation of November 3, 2015 Council Meeting In Recognition of Election Day**
- C. Approval of Amendment to Hinckley Commons, A Commercial Subdivision Located in a CP-2 Zone**

**D. Set Date For Public Hearing (November 17, 2015 at 6 pm or as soon as the agenda permits) To Receive and Consider Comments on Proposed Amendments to the FY2016 Budget**

Mayor Minster read through the consent agenda and asked if there were any comments concerning them. Council Member Orr said on line 373 of the minutes she had intended to say “mosquitos the last 30 days”.

The mayor called for a motion concerning the consent agenda.

**Council Member Porter moved to approve the consent agenda with the change. The motion was seconded by Council Member Benard. In a voice vote Council Members Smith, Orr, Porter, Benard and Strate all voted aye.**

The consent agenda was approved.

**V. DISCUSSION / ACTION ITEMS**

**A. Consideration of Resolution 15-45 – Amending a Betterment Agreement With UDOT for Highway 89/Harrison Boulevard Project**

City Manager Matt Dixon had received a report that day that UDOT had elected to postpone landscaping the project area until next spring. Secondary water was turned off and with colder weather coming, they felt it would be best. It would ensure that the warranty was still in place for the landscaping.

He then explained that as the project neared completion, it had become necessary to adjust the betterment agreement with the City. The original agreement had been for approximately \$146,000. There had been some complications with construction easements and access easements for the pedestrian tunnel under Highway 89. UDOT did not want to pass any additional costs to the city and therefore had agreed to absorb them; this required that an amendment to the Betterment Agreement be made. The agreement lowered the amount the City owed UDOT. The City could then use the freed up money to negotiate with property owners for easements needed for both construction and permanent access to the tunnel. The net cost remained the same for the City.

Council Member Strate asked if the tunnel was going over budget. Mr. Dixon said the tunnel was on budget. He explained the initial hope had been that the property owners would grant the easements with no cost to the City; however, complications with the project had created greater impacts to the two property owners involved. Both the City and UDOT felt it was the right thing to do to compensate the property owners. UDOT was helping the City by lowering the costs of the betterment agreement so the City would have money to compensate the property owners for the easements; the easements were the City's, not UDOT's. Council Member Strate asked if some of the easements were in Weber County. City Manager Dixon said they were in South Ogden City. The total cost for both easements was around \$13,000.

Council Member Orr asked why we didn't ask the County to help pay for the easements since it was their trail. Mr. Dixon said the trail was the City's project. Weber Pathways had approached the City explaining that only local governments could qualify for WACOG money, but they would aid the City in the application process for the tunnel since it was in South Ogden City. The City did receive the money, the tunnel was ours and would be ours to maintain in the future. UDOT allowed the City to “piggyback” on their project to help save money. Council Member Orr said she had not understood that the tunnel project was the City's.

Council Member Strate asked if the City would need to maintain the tunnel for winter access. City Manager Dixon said it was the City's tunnel and they could maintain any way

they wished. Council Member Benard said he would like to target getting the City's new sign done at the same time the landscaping was finished in the spring. Council Member's Strate and Orr agreed. There was no more discussion. Mayor Minster called for a motion.

**Council Member Benard moved to adopt Resolution 15-45, followed by a second from Council Member Strate. The mayor asked if there were further discussion, and seeing none, he called the vote:**

<b>Council Member Porter-</b>	<b>Yes</b>
<b>Council Member Strate-</b>	<b>Yes</b>
<b>Council Member Smith-</b>	<b>Yes</b>
<b>Council Member Benard-</b>	<b>Yes</b>
<b>Council Member Orr-</b>	<b>Yes</b>

**Resolution 15-45 was adopted.**

## **VI. DEPARTMENT DIRECTOR REPORTS**

### **A. Parks and Public Works Director Jon Andersen – Project Updates**

Mr. Andersen reported on several projects in the City:

**38<sup>th</sup> Street** – the contractor was doing the final grading in preparation for laying the asphalt. The asphalt would be finished in the next few days.

**Nature Park Restroom** – the contractor would be installing the stone at the end of the week and should be done by next Wednesday. The door still needed to be installed.

**Sidewalk grants** – no news had been received concerning the grants since the applications were submitted.

**Streetlights** – staff had been working through the warranty process on the streetlights and were now preparing to install the parts received. There had been some issues with the electrical contractor, but everything should be fixed by the end of the month.

Council Member Orr requested that the residents who were involved be contacted so they would know the lights would be fixed.

The Council then informed Mr. Andersen of several issues they had been contacted about throughout the City; Mr. Andersen said he would look into the issues.

At this point in the meeting Mayor Minster had the Youth City Council come forward and introduce themselves. Those who came forward were Addison Weeks, Ally Holden, Brevan Benard, Brecken Benard, Calvin Holden, Mitchell Holden, Brionca Benard, Jenna Miller, Gabby Shupe, Aubrey Allen, and Bridger Butters.

## **VII. QUARTERLY REPORTS**

### **A. Chief Parke – Ordinance Enforcement**

The Chief went over several statistics from the quarter covering July thru September. Weeds and junk made up the largest part of ordinance enforcement, with parking problems making up the next largest. Most of those contacted the first time concerning an ordinance issue took care of the problem immediately; only 3 citations were issued for the quarter. The Council asked several questions concerning ordinance issues in the City and the Chief let them know where they were in the process. The Chief also made the Council aware that there were some property owners who, because of age or health issues, were unable to take care of their yards. The Chief was looking for ways to handle those types of

situations, as he felt it was inappropriate to issue a citation in these cases. He was looking at some kind of community response group to help. Council Member Porter asked that they be informed of such situations so they could help take care of them.

## VIII. **REPORTS**

- A. **Mayor** – reported he had attended a Girl Scout group at the Holy Family Catholic Church. He had answered many good questions and enjoyed his time with them. The mayor also said he had received many calls concerning the dog park. He felt the City should improve it. He concluded by complimenting Chief West on the Fire Open House and the great success it had been.

B. **City Council Members**

**Council Member Orr** – said she had talked with 2 groups of Scouts as well. She also commented the Open House was very fun. Ms. Orr then reported she would be going to Seattle with the Communities That Care Program for a drug prevention conference; therefore she would not be in attendance at the next council meeting.

**Council Member Porter** – also reported the Fire Open House had been great. He then said there was still interest in the South Ogden History book; he had a book signing next month.

**Council Member Benard** – said not only was the Fire Open House great but the Fiesta! Fiesta! Event had been awesome as well. The scarecrow contest had been a great success as well. The Trunk or Treat event was well attended, however he had noticed that there were more people taking candy than giving it out. He also thanked Treeo for their participation at the Trunk or Treat and in many other parts of the community. He concluded by noting some campaign sign ordinance violations and asked that the candidates self-police them.

**Council Member Strate** – noted that many of the candidates had lost signs, more so in this campaign than in any other. He asked if anyone knew about the signs to come forward. Mr. Strate then reported he had tried to cross 40<sup>th</sup> Street at about 4:30 in the afternoon, about the same time that kids would have to cross it when returning home from the new Burch Creek Elementary. He felt the City needed to do something now about getting the kids safely across the street, even though the school would not be completed until 2017. He felt that putting a crossing guard along the street might not even take care of the problem. He would like to see a tunnel or overpass.

**Council Member Smith** – asked Mr. Andersen and Chiefs West and Parke to look at the safety and access along 6100 South. The configuration of the road did not seem right and he felt it was dangerous.

- C. **City Manager** – nothing to report.
- D. **City Attorney Ken Bradshaw** – nothing to report.

Mayor Minster indicated it was time to close the meeting and open a work session and entertained a motion to do so.

**At 7:02 pm, Council Member Strate moved to adjourn City Council Meeting and convene into a work session. Council Member Smith seconded the motion. The motion was approved unanimously.**

**IX. ADJOURN CITY COUNCIL MEETING AND CONVENE INTO WORK SESSION**

**A. Potential Ramp Grant Applications**

City Manager Dixon reminded the Council this work session was in response to their request to have more participation in the RAMP Grant Application process. Parks and Public Works Director Jon Andersen had put together a potential project list for the Council to consider. Staff was looking for direction as to which projects to pursue.

Mr. Andersen explained the grant process and the projects the City had applied for the previous year. Staff had felt the application for funds for an outdoor restroom at South Junior High School was very strong and were surprised it had not received grant money. He then went through the priority list, explaining each project. He also explained the difference between the grant categories: easy grants were up to \$1,999; regular grants were between \$2,000 and \$199,999; and major grants were anything more than \$200,000. The grants were also divided between recreation and parks grants and arts and museum grants. Mr. Andersen asked the Council to decide what their top 3 projects were that staff should apply for. The Council discussed many of the projects, including re-applying for the restroom at South Junior High School, a fishing pond at Nature Park, the shade structure and electrical at the amphitheater, upgrading the dog park, installing pickle ball courts, and a CrossFit course. They talked about which projects would affect more people than just City residents, as they would have more of a chance to receive a grant.

The Council determined they would like staff apply for 3 grants under the Recreation and Parks category: First priority would be the restroom for South Junior High; the next two would be for a par course at either Friendship or Glasmann Parks and upgrading the dog park. It was also suggested that the City approach Petco or PetSmart to help with the dog park. The Council would decide the priority of the second two projects after staff gathered more information about them.

The Council also decided they would apply for a shade structure and electrical for the amphitheater under the Arts and Museums category. Mr. Andersen said he would have more information for the Council at their meeting on November 17.

Council Member Orr asked if staff was looking at applying for money for sidewalks, bike paths, etc. through Wasatch Front Regional Council. City Manager Dixon said he had met with Wasatch Front earlier in the day about their Complete Streets Policy, and that staff was looking into sending a letter of intent for some projects.


**X. ADJOURN**

Mayor Minster called for a motion to adjourn the meeting.

**Council Member Porter moved to adjourn, followed by a second from Council Member Benard. All present voted aye.**

The meeting adjourned at 7:56 pm.

I hereby certify that the foregoing is a true, accurate and complete record of the South Ogden City Council Meeting held Tuesday, October 20, 2015.

  
Leesa Kapetanov, City Recorder

Date Approved by the City Council November 17, 2015

## **Attachment A**

Walt Bausman Handout



DRAFT

South Ogden City  
Summary of Financial Position  
For 12 Months Ended June 30, 2015

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South Ogden City  
Balance Sheet - Governmental Funds  
As of June 30, 2015

DRAFT  
1/6

	1	2	3	4	5	
	General	South Ogden Days	Debt Service	Capital Projects	Total	Comments
Total Assets	5,649,512	(11,051)	285,284	628,053	6,551,798	
Total Liabilities	2,938,305	3,366	-	26,911	2,968,582	
Fund balances						
Restricted/Assigned		-	-	-	-	
Beginning of year	624,563	-	-	15,275	639,838	
<b>Net income (loss)</b>	-	-	-	<b>48,226</b>	<b>48,226</b>	
Transfer in	216,872	-	-	-	216,872	p. 12
End of year	841,435	-	-	63,501	904,936	
Unrestricted					-	
Beginning of year	1,783,558	(4,569)	461,145	1,442,476	3,682,610	
<b>Net income (loss)</b>	<b>86,214</b>	<b>(65,260)</b>	<b>(1,101,661)</b>	<b>(1,081,751)</b>	<b>(2,162,458)</b>	
Transferred in		55,412	925,800	176,916	<b>1,158,128</b>	
End of year	1,869,772	(14,417)	285,284	537,641	2,678,280	
Total Fund Balance	2,711,207	(14,417)	285,284	601,142	3,583,216	
Total liabilities and fund balances	5,649,512	(11,051)	285,284	628,053	6,551,798	
Use of transferred funds			Restricted for Roads	Restricted doe for Other	Total	
Interfund transfer from Enterprise Funds			-	-	1,375,000	p. 5
Transferred to Special Revenue Funds			-	-	(1,158,128)	p. 14
Allocation of remaining balance			196,228	20,644	216,872	

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Rev. 10-18-15

South Ogden City  
Income Statement - Governmental Funds  
For 12 Months Ended June 30, 2015

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2/6

	1	2	3	4	5	
	General	South Ogden Days	Debt Service	Capital Projects*	Cumulative Total	Comments
Revenues - as reported	10,513,207	109,067	926,833	230,435	11,779,542	p. 5
Funds transferred (not revenues)	(1,375,000)	(55,412)	(925,800)	(176,916)	(2,533,128)	
Revenues - net of transfers	9,138,207	53,655	1,033	53,519	9,246,414	
Expenditures	9,051,993	118,914	1,102,694	1,087,044	11,360,645	p. 14
<b>Net income (loss)</b>	<b>86,214</b>	<b>(65,259)</b>	<b>(1,101,661)</b>	<b>(1,033,525)</b>	<b>(2,114,231)</b>	
Enterprise Funds transferred in	1,375,000	-	-	-	1,375,000	p. 5
Intrafunds transferred	(1,158,128)	55,412	925,800	176,916	-	p. 14
Changes in Fund Balances	303,086	(9,847)	(175,861)	(856,609)	(739,231)	

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South Ogden City  
Balance Sheet - Enterprise Funds  
As of June 30, 2015

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	1	2	3	4	5	6	
	Water	Sewer	Storm Drain	Garbage	Ambulance	Cumulative Total	Comments
Cash	1,291,139	276,324	350,659	235,478		2,153,600	
Account receivable	212,683	273,340	61,057	98,002	142,759	787,841	
Prepaid expenses	56,135	-	-	-	-	56,135	
Long term assets - net	3,855,567	2,476,224	1,496,213	33,267	174,707	8,035,978	
<b>Total assets</b>	<b>5,415,524</b>	<b>3,025,888</b>	<b>1,907,929</b>	<b>366,747</b>	<b>317,466</b>	<b>11,033,554</b>	
Liabilities	495,290	202,388	72,844	83,076	414,337	1,267,935	
Retained earnings						-	
Net investment in capital assets(1)	4,792,867	2,543,616	1,462,337	53,493	196,404	9,048,717	
Restricted - Impact fees	93,158	-	61,796	-	-	154,954	
Unrestricted						-	
Beginning of year(1)(2)	604,131	622,269	178,646	612,951	(131,255)	1,886,742	
<b>Net income (loss)</b>	<b>30,078</b>	<b>7,615</b>	<b>132,306</b>	<b>42,227</b>	<b>(162,020)</b>	<b>50,206</b>	
Enterprise funds transferred	(600,000)	(350,000)	-	(425,000)	-	(1,375,000)	
Total unrestricted	34,209	279,884	310,952	230,178	(293,275)	561,948	
<b>Total retained earnings</b>	<b>4,920,234</b>	<b>2,823,500</b>	<b>1,835,085</b>	<b>283,671</b>	<b>(96,871)</b>	<b>9,765,619</b>	
<b>Total liabilities and retained earnings</b>	<b>5,415,524</b>	<b>3,025,888</b>	<b>1,907,929</b>	<b>366,747</b>	<b>317,466</b>	<b>11,033,554</b>	

- (1) Amounts differ from audited financial statements  
(2) Amounts differ from 5/31/15

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South Ogden City  
Income Statement - Enterprise Funds  
For 12 Months Ended June 30, 2015

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	1	2	3	4	5	6	
	Water	Sewer	Storm Drain	Garbage	Ambulance	Total	Comments
Revenues	1,412,432	1,691,353	855,131	822,019	358,720	4,780,935	
Expenditures	1,363,464	1,683,738	722,825	779,792	520,740	5,070,559	
	18,890						
	1,382,354	1,683,738	722,825	779,792	520,740	5,070,559	
<b>Net income (loss)</b>	<b>30,078</b>	<b>7,615</b>	<b>132,306</b>	<b>42,227</b>	<b>(162,020)</b>	<b>50,206</b>	
Enterprise funds transferred	(600,000)	(350,000)		(425,000)	-	(1,375,000)	
Changes to retained earnings	(569,922)	(342,385)	132,306	(382,773)	(162,020)	(1,324,794)	

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Rev. 10-18-15

South Ogden City  
Balance Sheet - CDRA Funds  
As of June 30, 2015

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	1	2	3	4	5	
	CDRA (Macey's)	Northwest Project	Hinkley Project	Hinkley Housing	Total	Comments
Total assets	894,518	813,588	161,650	70,397	1,940,153	
Total Liabilities	109,742	475,922	48,500	-	634,164	
Fund balances						
Beginning of year	667,822	267,379	77,009	60,760	1,072,970	
<b>Net income (loss)</b>	<b>116,954</b>	<b>70,287</b>	<b>45,778</b>	<b>-</b>	<b>233,019</b>	
Interfund transfer			(9,637)	9,637	-	
Total retained earnings	784,776	337,666	113,150	70,397	1,305,989	
Total liabilities and retained earnings	894,518	813,588	161,650	70,397	1,940,153	

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South Ogden City  
Income Statement - CDRA Funds  
For 12 Months Ended June 30, 2015

**DRAFT**  
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	1	2	3	4	5	
	CDRA (Macey's)	Northwest Project	Hinkley Project	Hinkley Housing	Total	Comments
Revenues	129,396	494,444	48,188	-	672,028	
Expenditures	12,442	424,157	2,410	-	439,009	
<b>Net income (loss)</b>	<b>116,954</b>	<b>70,287</b>	<b>45,778</b>	<b>-</b>	<b>233,019</b>	

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**REVISED DRAFT**

South Ogden City  
Summary of Financial Position  
For 12 Months Ended June 30, 2015

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Rev. 10-9-15

South Ogden City  
Balance Sheet - Governmental Funds  
As of June 30, 2015

REVISED DRAFT  
1A

	1	2	3	4	5	
	General	South Ogden Days	Debt Service	Capital Projects	Total	Comments
Total Assets	5,649,512	(11,051)	285,284	628,053	6,551,798	
Total Liabilities	2,938,305	3,366	-	26,911	2,968,582	
Intrafund transfer	1,061,035			(1,061,035)		
Fund balances						
Restricted/Assigned		-	-	-	-	
Beginning of year	624,563	-	-	15,275	639,838	
Net income (loss)	-	-	-	48,226	48,226	
Transfer in	216,872	-	-	-	216,872	see below
End of year	841,435	-	-	63,501	904,936	
Unrestricted					-	
Beginning of year	1,783,558	(4,569)	461,145	1,442,476	3,682,610	
Net income (loss)	(974,821)	(65,260)	(1,101,661)	(20,716)	(2,162,458)	1,061,035
Transferred in	-	55,412	925,800	176,916	1,158,128	
End of year	808,737	(14,417)	285,284	1,598,676	2,678,280	
Total Fund Balance	1,650,172	(14,417)	285,284	1,662,177	3,583,216	
Total liabilities and fund balances	5,649,512	(11,051)	285,284	628,053	6,551,798	
Use of transferred funds			Restricted for Roads	Restricted - Other	Total	
Interfund transfer from Enterprise Funds			-	-	1,375,000	p. 5
Transferred to Special Revenue Funds			-	-	(1,158,128)	p. 14
Allocation of remaining balance			196,229	20,643	216,872	

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South Ogden City  
Income Statement - Governmental Funds  
For 12 Months Ended June 30, 2015

REVISED DRAFT  
2A

	1	2	3	4	5	
	General	South Ogden Days	Debt Service	Capital Projects*	Cumulative Total	Comments
Revenues - as reported	10,513,207	109,067	926,833	230,435	11,779,542	p. 5
Funds transferred (not revenues)	(1,375,000)	(55,412)	(925,800)	(176,916)	(2,533,128)	
Revenues - net of transfers	9,138,207	53,655	1,033	53,519	9,246,414	
Expenditures	10,113,028	118,914	1,102,694	26,009	11,360,645	1,061,035
Net income (loss)	(974,821)	(65,259)	(1,101,661)	27,510	(2,114,231)	
Enterprise Funds transferred in	1,375,000	-	-	-	1,375,000	p. 5
Intrafunds transferred	(1,158,128)	55,412	925,800	176,916	-	p. 14
Changes in Fund Balances	(757,949)	(9,847)	(175,861)	204,426	(739,231)	

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Rev. 10-18-15

**Attachment B**  
Written Comments

Good evening - My name is Walt Bausman  
I live at 5792 S 1075 E

I have passed out some summary financial statements for the fiscal year ended 6-30-15

I think they explain some of the questions that are being asked by council members and others re: the city's finances

And please remember, these amounts are from your financial statements

First, let's look at the handout entitled Summary of Financial Position – DRAFT

So the big question is: DID WE MAKE ANY MONEY? Well, it all depends on what you're looking at

On page 1, the first column is the General Fund, reports net income of \$86,000.

However, on the same page, the fifth column shows that total Government Funds lost \$2,100,000. That is the key number you should all be looking at.

You may remember that the city staff keeps talking about Revenues over Expenses of \$303,000

Well, that amount is derived from the \$86,000 earned, plus \$217,000 from the Enterprise Funds' transfer, less the transfers to the Special Revenue Funds, which is shown at the bottom of page 1 and page 2

The \$303,000 is referred to as a Change in Fund Balance, not Net Income. So I'm not sure why the staff continues to call it something that it's not, when even your own auditors correctly label it. It's not only confusing, it's incorrect.

I noticed in your packet for tonight, when asked about how the city did for the fiscal year ended 6-30-15, it was reported by the staff that the city was \$303,000 in the black. Any reference to being in the "black" is generally referred to as net income – and only \$86,000 is available for additional spending. Again, the \$217,000 is restricted for road work

I now draw your attention to the second handout, the REVISED DRAFT

What this does is reclassify the costs of 2 streets (1075 E and Chambers Road) that were reported as Capital Improvements totaling \$1,061,000.

Several months ago, we were told that these costs were misclassified as capital improvements, and should have been reported as repairs in the Streets account within the General Fund. However, this has not been done

As you can see, on page 1, the General Fund would then report as loss of \$975,000, while the Capital Projects Fund would have a net loss of only \$21,000

But under any circumstance, the total cumulative Unrestricted Government Funds shows a net loss of \$2,162,000, which is not a sustainable amount without significant changes. Again, this is the key number all of you should be looking at

**And a couple of final items:**

There still doesn't appear to be a budgeted amount to pay for the 38<sup>th</sup> Street repair – initially planned to cost \$437,000

The planned increase in policemen's salaries and related costs is slated to cost \$96,000 for this year, with \$21,000 being cut from other areas. Hardly what I'd call "cost cutting". And BTW, we are 100% in support of the planned increase.

So it appears the initial deficit of \$441,000 is going to increase to about \$1,000,000

And it also appears you have 1-2 years of deficit spending before something needs to happen:

**INCREASED TAXES, COST CUTTING AND/OR AGAIN LOOKING FOR OTHER FUNDS TO RAID**

There are other issues, but these are the most significant. Do you have any questions?



Tonight I am going to quickly cover two separate topics. For those who understood Walt's presentation, you can take a rest because I am just going to give the dumbed-down version. I don't want anyone to take offense to the term "dumbed-down" or think that I am using it in a disparaging way towards any of you. Rather, the one who most needs a dumbed-down version is me!

So here's how I see it. If I have \$1,000,000 in my left front pocket and nothing in my right front pocket, I could claim that I am either flat broke or pretty well off. I might even convince you of the accuracy of my claims IF I can focus your attention on only the pocket I want you to look at. Now, that's a simplistic example and some of you might be thinking, I wouldn't believe either claim until I'd checked all of his pockets. If so, I say good for you! That's the right approach. But in South Ogden, we seem to want to focus on the General Fund which, in a sense, is just a pocket in which the City holds, receives, and dispenses money. The General Fund balance is no more representative of the City's profit or loss than the contents of my left front pocket is representative of my personal profit or loss. So to say we finished the year "in the black" by \$300,000 is correct so long as you are looking only at the General Fund. But don't you see that the balance in the General Fund can be pretty much whatever the Staff wants it to be? If he wanted to, Mr. Liebersbach could make the General Fund balance \$600,000... or more! All that is needed is for money to be available in another pocket. Just as I can move money from one pocket to another, so can Mr. Liebersbach. But doubling the amount of money in the General Fund does not mean that more money came in to the City. And having a positive General Fund balance does not mean that revenues exceeded expenditures. If you want to accurately understand the City's finances, you should ask for a net profit/loss analysis rather than just looking at how much cash happens to be sitting in just one pocket. That's what Mr. Bausman has done and I would be willing to bet that Mr. Liebersbach has already performed such an analysis as well. All I am suggesting is that you ask Mr. Liebersbach to share his net profit/loss analysis with you.

My second topic is police salaries. I know that there will be a public hearing on this topic, but since I will be out of town on the 17th of November, I will have my say on that issue now... and I will keep it short and sweet. We support increasing police salaries to be competitive in the job market. As citizens, we want to be loyal to the men and women who do an increasingly dangerous and unpopular job. We want to retain experienced officers rather than being the training ground for other police forces in the area. However, we do not want to add to an already projected budget deficit. So this is where the hard part comes in. It is easy to agree to spend more money, but we need to recognize that the City has already committed to spending more than the City itself projects to receive in revenues. Sometimes families and sometimes Cities need to cut or reduce planned spending. It happens all the time. I have every confidence that you can and will do it if only you set yourselves to the task of paying for this increase through cuts elsewhere. I hope you will do so! Thank you.